

110TH CONGRESS
1ST SESSION

H. R. 3657

To amend the Internal Revenue Code of 1986 to allow individuals and businesses a credit against income tax for the purchase of Energy Star compliant air conditioners.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 2007

Mr. FERGUSON introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow individuals and businesses a credit against income tax for the purchase of Energy Star compliant air conditioners.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Energy Efficient Appli-
5 ance Tax Credit for Air Conditioners Act of 2007”.

1 **SEC. 2. CREDIT AGAINST INCOME TAX FOR PURCHASE OF**
2 **ENERGY STAR COMPLIANT AIR CONDI-**
3 **TIONERS.**

4 (a) IN GENERAL.—Subpart B of part IV of sub-
5 chapter A of chapter 1 of the Internal Revenue Code of
6 1986 (relating to other credits) is amended by adding at
7 the end the following new section:

8 **“SEC. 30D. ENERGY STAR COMPLIANT AIR CONDITIONERS.**

9 “(a) ALLOWANCE OF CREDIT.—There shall be al-
10 lowed as a credit against the tax imposed by this chapter
11 for the taxable year an amount equal to 25 percent of the
12 cost of any Energy Star compliant air conditioner placed
13 in service by the taxpayer during the taxable year.

14 “(b) LIMITATION.—The credit allowed by subsection
15 (a) for each Energy Star compliant air conditioner shall
16 not exceed \$500.

17 “(c) ENERGY STAR COMPLIANT AIR CONDI-
18 TIONER.—For purposes of this section, the term ‘Energy
19 Star compliant air conditioner’ means any air conditioner
20 (including room and central units)—

21 “(1) which meets the requirements for the En-
22 ergy Star program which are in effect at the time
23 the air conditioner is placed in service by the tax-
24 payer, and

25 “(2) the original use of which begins with the
26 taxpayer.

1 “(d) APPLICATION WITH OTHER CREDITS.—

2 “(1) BUSINESS CREDIT TREATED AS PART OF
3 GENERAL BUSINESS CREDIT.—So much of the credit
4 which would be allowed under subsection (a) for any
5 taxable year (determined without regard to this sub-
6 section) that is attributable to property of a char-
7 acter subject to an allowance for depreciation shall
8 be treated as a credit listed in section 38(b) for such
9 taxable year (and not allowed under subsection (a)).

10 “(2) PERSONAL CREDIT.—The credit allowed
11 under subsection (a) (after the application of para-
12 graph (1)) for any taxable year shall not exceed the
13 excess (if any) of—

14 “(A) the regular tax liability (as defined in
15 section 26(b)) reduced by the sum of the credits
16 allowable under subpart A and sections 27, 30,
17 30B, and 30C, over

18 “(B) the tentative minimum tax for the
19 taxable year.

20 “(e) OTHER RULES TO APPLY.—Rules similar to the
21 rules of paragraphs (2), (3), (4), and (5) of section 30C(e)
22 shall apply for purposes of this section.

23 “(f) BASIS ADJUSTMENT.— For purposes of this sub-
24 title, the basis of any property shall be reduced by the

1 amount of any credit allowed under this section with re-
2 spect to such property.

3 “(g) TERMINATION.—This section shall not apply to
4 property placed in service after December 31, 2016.”.

5 (b) CONFORMING AMENDMENTS.—

6 (1) Subsection (a) of section 1016 of such Code
7 is amended by striking “and” at the end of para-
8 graph (36), by striking the period at the end of
9 paragraph (37) and inserting “, and”, and by add-
10 ing at the end the following new paragraph:

11 “(38) to the extent provided in section
12 30D(f).”.

13 (2) The table of sections for subpart B of part
14 IV of subchapter A of chapter 1 of such Code is
15 amended by adding at the end the following new
16 item:

“Sec. 30D. Energy Star compliant air conditioners.”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to property placed in service after
19 the date of the enactment of this Act.

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